

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## **An Act To Clarify Charitable Status for Property Tax Exemption**

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 36 MRSA §652, sub-§1, ¶A**, as amended by PL 2007, c. 627, §20, is further amended to read:

A. The real estate and personal property owned and occupied or used solely for their own purposes by benevolent and charitable institutions incorporated by this State are exempt from taxation. Such an institution may not be deprived of the right of exemption by reason of the source from which its funds are derived or by reason of limitation in the classes of persons for whose benefit the funds are applied.

For the purposes of this paragraph, "benevolent and charitable institution" means an institution that advances a charitable purpose, donates or renders gratuitously a substantial portion of its services, benefits a substantial and indefinite class of persons who are legitimate subjects of charity, relieves the government of some of its burden and operates free from private profit motive. For the purposes of this paragraph, "benevolent and charitable institutions" includes, but is not limited to, nonprofit nursing homes licensed by the Department of Health and Human Services pursuant to Title 22, chapter 405, nonprofit residential care facilities licensed by the Department of Health and Human Services pursuant to Title 22, chapter 1663, nonprofit community mental health service facilities licensed by the Commissioner of Health and Human Services pursuant to Title 34-B, chapter 3 and nonprofit child care centers incorporated by this State as benevolent and charitable institutions. For the purposes of this paragraph, "nonprofit" refers to an institution that has been determined by the United States Internal Revenue Service to be exempt from taxation under Section 501(c)(3) of the Code.

### **SUMMARY**

This bill provides standards for determining which institutions qualify for a property tax exemption as a benevolent and charitable institution.